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Yogurt To Yeast: Chobani CEO's Next Leap, Resurrecting Anchor Brewing

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Hamdi Ulukaya, the entrepreneur behind Chobani yogurt, has taken on the challenge of reviving the ... [+]
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Hamdi Ulukaya, the 51-year-old founder of the Greek-style yogurt Chobani, became a billionaire by seeing rewards where others saw risks and finding opportunities in adversity. After emigrating from Turkey to the United States, he used a Small Business

Administration loan to buy an Upstate New York factory for \$700,000, which Kraft had shut down.

Even his advisors told him not to do it: If Kraft couldn't make it work, how could he? But he bought the plant in Edmeston, NY, and Chobani was born with a plant staffed largely by former Kraft employees and refugees he trained. It looks like he's hoping to do something that will be déjà vu all over again.

Ulukaya is acquiring Anchor Brewing through a liquidator for an undisclosed sum after Sapporo shut down the brand. He plans to bring Anchor Brewing Co., founded in 1896, "back to life."

The similarities are obvious, but the differences can't be denied. Ulukaya launched a Greek yogurt brand when there was little competition and turned a profit fairly rapidly with a plant Kraft all but abandoned.

"The factory was so old, the owners thought it was worthless," he said in a TED talk. "I thought they left a zero off. I couldn't believe the price."

Ulukaya practically had dairy in his blood, which made yogurt a match. His Kurdish family owned a dairy farm that made cheese and yogurt. He farmed and launched a feta cheese company in Upstate New York before transitioning from a cheese popular in Greece to Greek yogurt.



Hamdi Ulukaya, with deep roots in the dairy industry from his family's farm, successfully ventured ...

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Anchor, whose manufacturing also shut down, faces huge competition and is in a business and region he doesn't know well. Inflation remains an issue, and best-case scenarios indicate it could take time to turn a profit, if at all. And, of course, this is a company, not a factory. Ulukaya said that until recently, he knew little to nothing about San Francisco-based Anchor before beginning due diligence.

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Still, Ulukaya is more than a Greek yogurt tycoon who has capitalized on a niche in New York. While he does not have a beverage background, Chobani recently named a Pepsico executive as chief customer officer. And Ulukaya has been leading his company's expansion, making opportunistic buys with the belief that he can do better.

In 2023, Chobani bought La Colombe Coffee Roasters (in the beverage sector) for \$900 million, which, combined with Anchor, could be defined as a beverage buying spree. And then there's Anchor's San Francisco factory on Potrero Hill, brewing equipment, and a nearly 130-year-old brand, while he had to build Chobani (it means "shepherd" in Greek) from scratch.

Anchor is also famous for its steam beers, a niche that can be leveraged to grow the brand. Sapporo cited the pandemic (which is over), inflation (which is tamer), and competition, which remains. Sapporo made some missteps, losing sight of the brand's history and loyalty while clashing with employees and customers with new packaging.



Ulukaya is recognized for his socially conscious business practices, such as sharing company stock ... [+] © 2024 BLOOMBERG FINANCE LP

Ulukaya, on the other hand, has donated Chobani stock to employees, launched and donated to charities, boosted benefits, and sometimes brings a Ben and Jerry's-like ethic of doing good and doing well. He talks about inspiring employees, although he may not use precisely that word. Through their struggle and success, they are not just making a product but a life for themselves.

Ulukaya likely sees similarities to his life and success, buying a distressed property in the F&B sector – abandoned by a larger company. Can he lift morale and turn Anchor into something that doesn't drag down earnings and uplifts workers and customers in a world where consumers look not just at what a product is but what it stands for? Is it a question of management, not just money, to make Anchor work?

Sapporo dropped Anchor only six years after acquiring it, but only after buying another, larger brand that it decided was better suited to its ambitions. Ulukaya told the San Francisco Chronicle he plans

to revive the old logo, rehire employees, and begin brewing steam beer.

“Could stewarding the legacy of America’s first craft brewery, which San Franciscans know to be a sacred honor, end up being an afterthought?” the San Francisco Chronicle asked in a largely positive piece about Anchor’s new owner.

Ulukaya is saying the right things and has a life story that may put wind in this ship's sails. "I believe brands born in places like this are incredibly special and must be treasured, respected, and loved," he told the San Francisco Chronicle.

Ulukaya is finding support, which could help him achieve success. The Chronicle said he met with Mayor London Breed and Supervisor Shamann Walton from the district where Anchor is based and dined with San Francisco Giants CEO Larry Baer.



Ulukaya is garnering support from local officials and business leaders in San Francisco. His ... [+] GETTY IMAGES

Ulukaya is used to making factories work well. Chobani has two factories, one in Upstate New York and one in Idaho, and La Colombe is manufactured in Philadelphia and Michigan. The product and process may differ, but Ulukaya may find a path to success if he isn't overwhelmed by high costs and too low demand.

“It’s like a movie. They pressed stop and left. You see boxes on the conveyors. You see bottles on the fillers. You see tickets written halfway,” Ulukaya told the Chronicle. “It's like time stopped. And literally, we are going to press start and move those conveyors and start it back up.”

Still, this is reality with real costs and risks, not a movie, although he will try to script Anchor's successful comeback. The numbers may be daunting, including declining sales, but he sees people, promise, and if he can do what he did with Chobani, he at least has a chance of finding profits.

“Spreadsheets are lazy. They don't tell you about people,” he said in his TED talk. “They don't tell you about communities.”

Spreadsheets do matter: They tell you about your business but can only capture a moment—management, employees, motivation, and so much more also matter. Anchor is a beloved brand that has attracted and stymied many executives. Will Ulukaya be able to turn a profit where others found failure? It almost sounds like a TV show called "Turnaround." Stay tuned.

If he does, a lot of people will be toasting him, although at least for now, many people in San Francisco and nationwide are already celebrating the return of a beer brand that, some thought, might have dropped anchor for the last time.

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